MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2022/2023

DFA5114 – PRINCIPLES OF FINANCIAL ACCOUNTING

(All sections / Groups)

8 JULY 2023
9.00 AM – 11.00 AM
(2 Hours)

INSTRUCTIONS TO STUDENTS

1. This Question paper consists of **THREE** pages (excluding the cover page) with 4 questions only.
2. Answer **ALL** questions.
3. Write your answers in the answer booklet provided.

QUESTION 1

The adjusted trial balance of SKY Sdn Bhd contained the following information:

	Debit (RM)	Credit (RM)
Sales revenue		530,000
Return inwards	12,000	
Discount allowed	7,000	
Cost of goods sold	318,000	
Freight out	2,000	
Advertising expense	15,000	
Interest expense	13,000	
Salaries and wages expense	90,000	
Utilities expense	23,000	
Depreciation expense	12,000	
Interest revenue		37,000

Required:

a) Prepare a multiple-step income statement for the year ended 31 December 2022. (15 marks)

b) Prepare a single-step income statement for the year ended 31 December 2022. (10 marks)

[TOTAL 25 MARKS]

QUESTION 2

Part A

Below is PAN Sdn Bhd's trial balance.

	Trial Balance		
	Unadjusted	Adjusted	Post-Closing
Accounts payable	RM10,000	RM10,000	RM10,000
Accounts receivable	2,200	3,200	3,200
Accumulated depreciation—Equipment	13,000	17,000	17,000
Advertising expense	0	16,300	0
Cash	60,000	60,000	60,000
Depreciation expense	0	4,000	0
Equipment	75,000	75,000	75,000
Owner's capital	82,200	82,200	102,400
Owner's drawings	11,000	11,000	0
Prepaid advertising	17,800	1,500	1,500
Prepaid rent	15,000	11,000	11,000
Rent expense	0	4,000	0

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Service revenue	96,000	105,000	0
Supplies	3,200	700	700
Supplies expense	2,000	4,500	0
Unearned service revenue	23,000	15,000	15,000
Salaries and wages expense	38,000	45,000	0
Salaries and wages payable	0	7,000	7,000

Required:

a) Prepare journal entries to record the adjusting entries. (7 marks)

b) Prepare closing entries for PAN Sdn Bhd. (6 marks)

Part B

Kitty had the following stock movements in one of its raw material stores.

February	Purchases/Sales	Units	Price per unit (RM)
1	Purchases	20	50
5	Purchases	40	55
6	Sales	45	-
8	Sales	10	-
15	Purchases	35	60
20	Sales	30	-

Required:

Compute the cost of the ending inventory and the cost of goods sold using the FIFO method with perpetual inventory system. Show all your workings.

(12 marks)

[TOTAL 25 MARKS]

QUESTION 3

The treasurer of GG club for the year's activities gave the following information:

	RM
Cash balance, 1 January 2022	5,000
Receipts:	
Donations received	10,000
Subscriptions received for 2022	1,000
Payments:	
Trips by members to factories	800
Cost involved in holding charity event	200
Donations to poor families	8,000
Sundry expenses	3,000

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Required:

a) Prepare the receipts and payments account. (14 marks)

b) Prepare the income and expenditure account for the year ending 31 December 2022. (11 marks)

[TOTAL 25 MARKS]

QUESTION 4

The following information is available for Sally Sdn Bhd for the year ended 31 December 2022.

Collection of principal on long-term loan to a supplier	RM15,000
Acquisition of equipment for cash	10,000
Proceeds from the sale of long-term investment at book value	20,000
Issuance of ordinary shares for cash	27,000
Depreciation expense	28,000
Redemption of bonds payable at carrying (book) value	35,000
Payment of cash dividends	15,000
Net income	25,000
Purchase of land by issuing bonds payable	45,000

In addition, the following information is available from the comparative statement of financial position for Sally at the end of 2021 and 2022:

	2022	2021
Cash	RM66,000	RM14,000
Accounts receivable (net)	20,000	6,000
Prepaid insurance	18,000	13,000
Total current assets	RM104,000	RM33,000
Accounts payable	RM30,000	RM20,000
Salaries payable	3,000	7,000
Total current liabilities	RM33,000	RM27,000

Required:

Prepare the statement of cash flows for the year ended 31 December 2022 using the indirect method.

[TOTAL 25 MARKS]

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